

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>CHRISTOPHER B. GHIO (259094) Christopher.Ghio@dinsmore.com CHRISTOPHER CELENTINO (131688) Christopher.Celentino@dinsmore.com JEREMY B. FREEDMAN (308752) Jeremy.Freedman@dinsmore.com DINSMORE & SHOHL LLP 655 West Broadway, Suite 800 San Diego, California 92101 Telephone: 619.400.0500 Facsimile: 619.400.0501</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for Special Counsel to Richard A. Marshack, Chapter 11 Trustee for the Bankruptcy Estate of The Litigation Practice Group P.C.</p>	<p>FOR COURT USE ONLY</p>
<p align="center">UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – <u>SANTA ANA</u> DIVISION</p>	
<p>In re:</p> <p>THE LITIGATION PRACTICE GROUP P.C.,</p> <p align="right">Debtor(s).</p> <p>RICHARD A. MARSHACK, Chapter 11 Trustee,</p> <p align="right">Plaintiff(s),</p> <p align="center">vs.</p> <p>TONY DIAB, et al.</p> <p align="right">Defendant.</p>	<p>CASE NO.: 8:23-bk-10571-SC CHAPTER: 11 ADVERSARY NO.: 8:23-ap-01046-SC</p> <p>NOTICE OF LODGMENT OF ORDER OR JUDGMENT IN ADVERSARY PROCEEDING RE: <i>(title of motion¹)</i>: CHAPTER 11 TRUSTEE, RICHARD MARSHACK'S MOTION FOR ORDER APPROVING COMPROMISE OF CONTROVERSY PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019 AS TO DEFENDANT MAVERICK BANKCARD, INC.</p>

PLEASE TAKE NOTE that the order or judgment titled ORDER GRANTING CHAPTER 11 TRUSTEE, RICHARD MARSHACK'S MOTION FOR ORDER APPROVING COMPROMISE OF CONTROVERSY PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019 AS TO DEFENDANT MAVERICK BANKCARD, INC. was lodged on *(date)* March 15, 2024 and is attached. This Order relates to the Motion which is docket number 942.

¹ Please abbreviate if title cannot fit into text field.

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8 Special Counsel to Richard A. Marshack
Chapter 11 Trustee for the Bankruptcy Estate of
9 The Litigation Practice Group PC

10
11 **UNITED STATES BANKRUPTCY COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**
13

14 In re:

15 THE LITIGATION PRACTICE GROUP P.C.,

16 Debtor.
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Case No.: 8:23-bk-10571-SC

Chapter 11

**ORDER GRANTING CHAPTER 11
TRUSTEE, RICHARD MARSHACK'S
MOTION FOR ORDER APPROVING
COMPROMISE OF CONTROVERSY
PURSUANT TO FEDERAL RULE OF
BANKRUPTCY PROCEDURE 9019 AS TO
DEFENDANT MAVERICK BANKCARD,
INC.**

Date: March 13, 2024
Time: 11:00 a.m.
Judge: Hon. Scott C. Clarkson
Place: Courtroom 5C
411 West Fourth Street
Santa Ana, California 92701

1 1. The Court has received and considered the Chapter 11 Trustee, Richard A. Marshack's
2 ("Trustee") Motion for Order Approving Compromise of Controversy Pursuant To Federal Rule of
3 Bankruptcy Procedure 9019 (the "Motion"). The Motion seeks approval of the proposed Settlement
4 Agreement (the "Agreement") between the Trustee of the Litigation Practice Group's ("LPG") Estate
5 and Maverick Bankcard, Inc. ("Maverick"), a substantially final form of which is attached as
6 **Exhibit 1**. The Motion did not receive opposition.

7 2. The Court makes the following findings: (a) the Court has jurisdiction over this matter
8 pursuant to 28 U.S.C. §§ 1334 and 157; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2);
9 (c) notice of the Motion and the hearing was sufficient and proper; the terms set forth in the Agreement
10 are fair and reasonable under the circumstances and represents an exercise of the Trustee's reasonable
11 business judgment; (d) the relief granted herein is in the best interests of LPG, LPG's estate and
12 creditors; and (e) after due deliberation, the Court having determined that the legal and factual bases
13 set forth in the Motion establish just cause for the relief granted herein; and it appearing to the Court
14 that the Motion should be approved, it is **HEREBY ORDERED THAT:**

15 1. The Motion is GRANTED.

16 2. The Agreement is approved.

17 3. The terms and conditions of this Order shall be immediately effective and enforceable
18 upon its entry.

19 4. Maverick Bankcard, Inc. claim [Omni Claim No. 101262] in the Bankruptcy matter
20 shall be deemed withdrawn within three (3) business days of the date of this Order.

21 5. This Court shall retain jurisdiction with respect to all matters arising from or related
22 to the implementation of this Order.

23 6. Trustee and Maverick are authorized to take such steps as may be necessary in order
24 to implement the terms of the Agreement including, as necessary, making any
25 amendments to the terms of the Agreement which may be agreed to in writing by
26 Trustee and Maverick, *provided* that no material terms of the Agreement shall be
27 altered.

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1 7. Any claim filed by Maverick in the main Bankruptcy case, Case No. 8:23-bk-10571-
2 SC shall be deemed withdrawn effective as of the date of this Order.

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4 **IT IS SO ORDERED.**

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EXHIBIT 1

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is made and entered into as of this 3rd day of January, 2024, by and between Richard A. Marshack, as Chapter 11 Trustee (the “Trustee”) of the bankruptcy estate of The Litigation Practice Group, P.C. (the “Debtor”), and Maverick Bankcard, Inc. (“Maverick”). The Trustee and Maverick are also referred to below individually as a “Party” or collectively as the “Parties.”

WHEREAS:

A. On or about March 20, 2023, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California (the “Bankruptcy Court”), initiating Case No. 8:23-bk-10571-SC (the “Bankruptcy Case”).

B. On or about May 8, 2023, the Trustee was appointed as the Chapter 11 trustee of the bankruptcy estate of the Debtor and assumed all authority to administer the Debtor’s estate in the Bankruptcy Case.

C. Maverick performed certain pre-petition merchant credit card and other payment processing services for the Debtor, pursuant to that certain Merchant Account Application and Agreement between the Debtor and Maverick dated December 16, 2021 and that certain ACH Processing Application and Agreement between the Debtor and Maverick dated March 7, 2022 (collectively, the “Merchant Agreements”).

D. The Merchant Agreements authorized and permitted Maverick to establish and maintain a reserve (the “Reserve”) to cover certain of the Debtor’s obligations under the Merchant Agreements.

E. The Reserve was established pre-petition in the amount of \$628,343.18. In addition, and before Maverick received any notice that the Bankruptcy Case had been initiated, it unknowingly held an additional \$48,180.27 from credit and debit card transactions by the Debtor’s clients that occurred post-petition.

F. Maverick has a pre-petition claim against the Debtor’s Chapter 11 estate to the extent of any unpaid and/or unrecouped client refunds, chargebacks and ACH returns by the Debtor’s clients, on credit card, debit card and ACH transactions with the Debtor that occurred prior to the Petition Date, that Maverick has been required to fund and return to the Debtor’s clients since the filing of the Bankruptcy Case (the “Maverick Claim”).

G. As of the date of this Agreement, the Maverick Claim is partially liquidated, and partially contingent and unliquidated, as some of the Debtor’s clients remain eligible to dispute transactions with the Debtor that occurred prior to the Petition Date.

H. The Maverick Claim is a secured claim to the extent of the Reserve, and a general unsecured claim to the extent of any losses on pre-petition transactions that exceed the amount of the Reserve.

I. The Parties wish to stipulate and agree to limited and precautionary relief from the automatic stay, if and as necessary, to allow Maverick to exercise its right of recoupment and/or setoff in respect of the Reserve, to apply funds in the Reserve to cover its losses on pre-petition transactions by the Debtor's clients to date, and then to release any funds remaining in the Reserve to the Trustee.

NOW THEREFORE, in consideration of the premises and mutual promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Court Approval.** This Agreement shall be effective on the date the Bankruptcy Court enters an order approving the Agreement (the "Effective Date"). The Trustee agrees to promptly seek entry of an order approving the Agreement.

2. **Precautionary Modification of Stay to Permit Recoupment.** As of the Effective Date, Maverick may recoup, set off, or otherwise retain and apply funds in the Reserve to satisfy and pay the Maverick Claim to the extent that it is liquidated as of the Effective Date, and the automatic stay provided for under section 362(a) of the Bankruptcy Code, to the extent applicable, shall be modified solely to permit such recoupment and/or setoff, but shall otherwise remain in effect for all purposes.

3. **Release of Funds to Trustee.** Promptly following the Effective Date, and following its recoupment and applications of funds as provided in paragraph 2 above, Maverick shall release and pay over to the Trustee any and all funds remaining in the Reserve, consisting of (a) the \$48,180.27 that Maverick unknowingly held post-petition, and (b) the difference remaining after the funds required to recoup the Maverick Claim, to the extent that it is fixed and liquidated as of the Effective Date, are deducted from the \$628,343.18 held in the Reserve as of the Petition Date.

4. **Deficiency Claim By Maverick.** To the extent that any portion of the Maverick Claim that is currently contingent and unliquidated shall become fixed and liquidated after the Effective Date, Maverick shall have an unsecured claim and be required to file a timely Proof of Claim in the Bankruptcy Case.

5. **Merger and Integration.** This Agreement contains the entire agreement between the Parties as to the subject matter hereof, and supersedes all prior agreements between the Parties relating thereto.

6. **Signatory Authority.** Each person who executes this Agreement represents that he or she is duly authorized to execute this Agreement on behalf of the respective Party hereto and that each such Party has full knowledge and has consented to this Agreement.

7. **Execution in Counterparts.** This Agreement may be executed in multiple counterparts, any of which may be transmitted by e-mail or facsimile, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8. **No Presumption.** The Parties acknowledge that each Party has participated in and jointly consented to the drafting of this Agreement and that any claimed ambiguity shall not be construed for or against either Party on account of such drafting.

9. **Jurisdiction.** The Bankruptcy Court shall retain jurisdiction to enforce and construe the terms and provisions of this Agreement. The Bankruptcy Court shall further retain jurisdiction to enforce and construe any and all applicable terms or provisions of the Court's Preliminary Injunction (Adversary Proceeding No. 8:23-ap-01046-SC, Dkt. No. 70) including any and all applicable changes or modifications subsequently made so long as the Preliminary Injunction remains in place and has not been vacated by Court order.

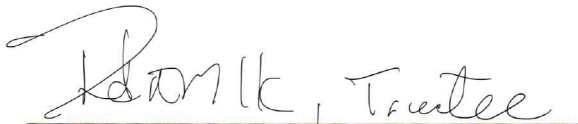
10. **Governing Law.** This Agreement is made and entered into under the laws of the State of California and Title 11 of the United States Code, and shall be interpreted, applied, and enforced under those laws.

11. **Review by Counsel.** By signing this Agreement, the Parties represent that they have reviewed this Agreement with counsel or have been given an opportunity to review it with counsel and have chosen not to do so.

12. **Authority.** By signing this Agreement, the Parties represent that they have full authority to enter into this Agreement.


13. **Miscellaneous.** The Parties shall bear their respective costs, expenses, and attorneys' fees incurred in connection with this Agreement. This Agreement may be amended, modified, or otherwise changed only in a writing signed by both Parties and, if applicable, with Bankruptcy Court approval. This Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors, predecessors, and assigns. The Parties agree to, on request of the other Party, to perform all acts reasonably necessary to effectuate this Agreement.

**RICHARD A. MARSHACK, CHAPTER 11
TRUSTEE FOR THE LITIGATION PRACTICE
GROUP, P.C.**

 , Trustee

Dated: 1/3/24

MAVERICK BANKCARD, INC.

By: 
Title: COO

Dated: 1/2/24

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

DINSMORE & SHOHL LLP
655 West Broadway, Suite 800
San Diego, California 92101

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF LODGMENT OF ORDER GRANTING CHAPTER 11 TRUSTEE, RICHARD MARSHACK'S MOTION FOR ORDER APPROVING COMPROMISE OF CONTROVERSY PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019 AS TO DEFENDANT MAVERICK BANKCARD, INC**

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On March 15, 2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Keith Barnett
on behalf of Defendant Payliance, LLC

keith.barnett@troutman.com
kelley.wade@troutman.com

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On March 15, 2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Tony Diab
1278 Glenneyre Street
Laguna Beach, California 92651

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on March 15, 2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA FEDERAL EXPRESS – JUDGE'S COPY

Honorable Scott C. Clarkson
United States Bankruptcy Court. Central District of California
411 West Fourth Street, Suite 5130 / Courtroom 5C
Santa Ana, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

March 15, 2024
Date

Nicolette D. Murphy
Printed Name

/s/ *Nicolette D. Murphy*
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Eric Bensamochan on behalf of Interested Party Courtesy NEF	eric@eblawfirm.us G63723@notify.cincompass.com
Christopher Celentino on behalf of Plaintiff Richard A. Marshack	christopher.celentino@dinsmore.com caron.burke@dinsmore.com
Christopher Celentino on behalf of Trustee Richard A Marshack (TR)	christopher.celentino@dinsmore.com caron.burke@dinsmore.com
Leslie A Cohen on behalf of Defendant Lisa Cohen	leslie@lesliecohenlaw.com jaime@lesliecohenlaw.com clare@lesliecohenlaw.com
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Leslie A Cohen on behalf of Interested Party Courtesy NEF	leslie@lesliecohenlaw.com jaime@lesliecohenlaw.com clare@lesliecohenlaw.com
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Jeremy B. Freedman on behalf of Trustee Richard A. Marshack (TR)	jeremy.freedman@dinsmore.com nicolette.murphy@dinsmore.com
Christopher Ghio on behalf of Plaintiff Richard A. Marshack	christopher.ghio@dinsmore.com angelica.urena@dinsmore.com nicolette.murphy@dinsmore.com deamira.romo@dinsmore.com
Christopher Ghio on behalf of Trustee Richard A. Marshack (TR)	christopher.ghio@dinsmore.com angelica.urena@dinsmore.com nicolette.murphy@dinsmore.com deamira.romo@dinsmore.com
Eric D Goldberg on behalf of Defendant Stripe, Inc.	eric.goldberg@dlapiper.com eric-goldberg-1103@ecf.pacerpro.com
Richard H Golubow on behalf of Creditor Debt Validation Fund II, LLC	rgolubow@wghlawyers.com jmartinez@wghlawyers.com svillegas@wghlawyers.com
Richard H Golubow on behalf of Creditor MC DVI Fund 1, LLC	rgolubow@wghlawyers.com jmartinez@wghlawyers.com svillegas@wghlawyers.com
Richard H Golubow on behalf of Creditor MC DVI Fund 2, LLC	rgolubow@wghlawyers.com jmartinez@wghlawyers.com svillegas@wghlawyers.com
Meredith King on behalf of Defendant Gallant Law Group	mking@fsl.law ssanchez@fsl.law jwilson@fsl.law
Meredith King on behalf of Interested Party Courtesy NEF	mking@fsl.law ssanchez@fsl.law jwilson@fsl.law
David S Kupetz on behalf of Defendant Marich Bein, LLC	David.Kupetz@lockelord.com mylene.ruiz@lockelord.com

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Matthew A. Lesnick on behalf of Defendant Optimumbank Holdings, Inc. d/b/a Optimum Bank	matt@lesnickprince.com matt@ecf.inforuptcy.com jmack@lesnickprince.com
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Daniel A Lev on behalf of Defendant LGS Holdco, LLC	daniel.lev@gmlaw.com cheryl.caldwell@gmlaw.com dlev@ecf.courtdrive.com
Daniel A Lev on behalf of Interested Party Courtesy NEF	daniel.lev@gmlaw.com cheryl.caldwell@gmlaw.com dlev@ecf.courtdrive.com
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Kathleen P. March on behalf of Defendant Greyson Law Center PC	kmarch@bkylawfirm.com kmarch3@sbcglobal.net kmarch@sbcglobal.net
Kathleen P. March on behalf of Defendant Han Trinh (<i>DISMISSED</i>)	kmarch@bkylawfirm.com kmarch3@sbcglobal.net kmarch@sbcglobal.net
Kathleen P. March on behalf of Defendant Jayde Trinh (<i>DISMISSED</i>)	kmarch@bkylawfirm.com kmarch3@sbcglobal.net kmarch@sbcglobal.net
Richard A Marshack (TR)	pkraus@marshackhays.com rmarshack@iq7technology.com ecf.alert+Marshack@titlexi.com
Kenneth Miskin on behalf of U.S. Trustee United States Trustee (SA)	Kenneth.M.Miskin@usdoj.gov
Queenie K Ng on behalf of U.S. Trustee United States Trustee (SA)	queenie.k.ng@usdoj.gov
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Daniel H Reiss on behalf of Defendant Eng Taing	dhr@lnbyg.com dhr@ecf.inforuptcy.com
Ronald N Richards on behalf of Defendant Consumer Legal Group, PC	ron@ronaldrichards.com 7206828420@filings.docketbird.com
Jonathan Serrano on behalf of Plaintiff Richard A. Marshack	jonathan.serrano@dinsmore.com
Zev Shechtman on behalf of Interested Party Morning Law Group, P.C.	zs@danninggill.com danninggill@gmail.com zshechtman@ecf.inforuptcy.com
Howard Steinberg on behalf of Defendant BankUnited, N.A	steinbergh@gtlaw.com pearsallt@gtlaw.com howard-steinberg-6096@ecf.pacerpro.com

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Andrew Still on behalf of Interested Party Courtesy NEF	astill@swlaw.com kcollins@swlaw.com
Kelly Sweeney on behalf of Defendant Fidelity National Information Services, Inc.	kelly@ksgklaw.com
Kelly Sweeney on behalf of Defendant Fidelity National Information Services, Inc. dba FIS	kelly@ksgklaw.com
Kelly Sweeney on behalf of Defendant Worldpay Group	kelly@ksgklaw.com
Kelly Sweeney on behalf of Defendant Worldpay, LLC	kelly@ksgklaw.com
United States Trustee (SA)	ustpreion16.sa.ecf@usdoj.gov
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